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President's Address to Focus on Social Security

By RICHARD W. STEVENSON

WASHINGTON, Feb. 1 - President Bush will use his State of the Union address on Wednesday night to begin setting out details of his plan for overhauling Social Security, but will stick largely to generalities when it comes to the politically painful subject of cuts in benefits, administration officials and Republicans who have been briefed on the speech said Tuesday.

The White House said Mr. Bush's speech would be split roughly equally between foreign policy and domestic issues. The big themes, officials said, would be how to build on the successes of the democratic elections in Afghanistan, the Palestinian territories and Iraq, and the need to modernize domestic programs, foremost among them Social Security.

Speaking three days after millions of Iraqis went to the polls, Mr. Bush will not set out a plan to bring home American troops, but will emphasize the importance of completing the job of training Iraqi security forces to take on primary responsibility for battling the insurgency there, officials said.

The administration plans to follow up the State of the Union address with a new budget proposal on Monday that will provide more specifics and is expected to hold spending increases on discretionary domestic programs to less than 1 percent.

Administration officials portrayed Mr. Bush as determined in his State of the Union address to lay to rest questions about his willingness and ability to confront the political difficulties inherent in his proposal to add individual investment accounts to Social Security and to put the retirement system on firm financial ground for the long run.

"There will be no doubt, I believe, in people's minds by the end of this speech that President Bush is willing to offer the political leadership necessary to get this issue done," a senior administration official told reporters at a briefing on the speech.

But the official suggested that most of the details Mr. Bush would make public would relate to his proposal for private investment accounts. Mr. Bush told members of Congress last week that he favored giving workers a relatively limited menu of investment options, to keep management fees down and to reduce the risk of losses from overly risky investment decisions.

Mr. Bush will not endorse any detailed approach to how benefits should be cut to bring the retirement system's finances into line and meet the president's goal of making Social Security permanently solvent, administration officials and Republicans who have been consulted by the White House said. Under the system's current projections, Social Security will start taking in less in payroll tax revenue than it pays out in benefits in 2018, and by 2042 will have run through its trust fund of government bonds and will be able to pay only around three-quarters of benefits promised by the current system.

Instead of dwelling on the need for cuts in benefits, officials said, Mr. Bush will frame the situation as an opportunity. They said he would emphasize that the current system promises ever-increasing benefits to future generations, but cannot meet that commitment, and that the nation has a chance to minimize the scale of the required reductions and perhaps make people better off through the addition of personal accounts - if it acts now rather than waiting.

"The status quo is benefit cuts or massive tax increases," the official said at the briefing for reporters. "What the president will say is, there are steps we can take to make it better than the status quo."

The official said that when it came to the most politically difficult decisions in addressing Social Security's long-term problems, Mr. Bush would be "welcoming ideas and solutions across the board" and was "not at the point where we want to be ruling things out" beyond his previously expressed opposition to tax increases.

With many Republicans in Congress leery about rushing into the issue, the president has been under intensifying pressure from some members of his party to provide them with political cover by putting on the table his specific proposals for Social Security.

Democrats have accused him of masking the reality that his approach will require substantial reductions in benefits for future retirees and are planning a vigorous opposition. "President Bush should forget about privatizing Social Security," Senator Harry Reid of Nevada, the Democratic leader told reporters on Capitol Hill. "It will not happen. The sooner he comes to that realization, the better off we are."

In recent weeks, the White House has floated a plan for reducing the government-paid benefit in coming decades by altering the formula used to calculate it.

The White House official who briefed reporters on the speech said Mr. Bush would take detailed positions on Social Security in coming weeks and months, but only to the extent that doing so would help Congress move forward. The official, who spoke before an auditorium full of journalists, insisted on not being quoted by name. Scott McClellan, the White House press secretary, said the goal in not allowing the use of the official's name was to keep the focus on Mr. Bush.

The address will contain some new initiatives, including one involving medical research that appeared intended in part to tamp down criticism that Mr. Bush has gone too far in limiting federally financed experimentation using embryonic stem cells, people who have been briefed on the speech said.

But its domestic centerpiece will be Social Security, and Mr. Bush will embark the morning after his speech on a five-state, two-day swing to drum up support for his approach. Vice President Dick Cheney and other administration officials will also stump the country on behalf of Mr. Bush's agenda.

In a meeting with reporters on Tuesday, the Democratic leaders of Congress affirmed their position that Mr. Bush was exaggerating the problems with Social Security, with Representative Nancy Pelosi of California, the House Democratic leader, calling it a "diversionary" tactic on the part of the White House to distract the public from other issues.

Democrats said that their party intended to aggressively counter the president on Social Security as he traveled the country and that not a single Democratic senator had expressed any support for Mr. Bush's call for partial privatization.

"I think the president's attempt to try to manipulate public opinion is going to be met with others who

believe the president is not headed in the right direction," said Mr. Reid, who said he expected a barrage of radio, newspaper and television advertisements. "We are united."

Elisabeth Bumiller and Carl Hulse contributed reporting for this article.

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